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- (b) You may ask ONRR to renew the delegation for an additional 3 years no less than 6 months before your 3-year delegation agreement expires. You must submit your renewal request to the Director for Office of Natural Resources Revenue as follows:
- (1) If you do not want to change the terms of your delegation agreement for the renewal period, you need only ask to extend your existing agreement for the 3-year renewal period. ONRR will not schedule a hearing unless you request one:
- (2) If you want to change the terms of your delegation agreement for the renewal period, you must submit a new delegation proposal under this part.
- (c) The ONRR Director may approve your renewal request only if ONRR determines that you are meeting the requirements of the applicable standards and regulations. If the ONRR Director denies your renewal request, ONRR will state the reasons for denial. ONRR also will inform you in writing of the conditions you must meet to receive approval. You may submit a new renewal request any time after denial.
- (d) After the 3-year renewal period for your delegation agreement ends, if you wish to continue performing one or more delegated functions, you must request a new delegation agreement from ONRR under this part. ONRR will schedule a hearing on your request, if ONRR determines a hearing is appropriate. As part of the decision whether to approve your request for a new delegation, the ONRR Director will consider whether you are meeting the requirements of the applicable standards and regulations under your existing delegation agreement.
- (e) If you do not request a hearing under paragraphs (b)(1) or (d) of this section, any other affected person may submit a written request for a hearing under those paragraphs to the ONRR Associate Director for Minerals Revenue Management.
- [62 FR 43084, Aug. 12, 1997, as amended at 67 FR 19112, Apr. 18, 2002; 75 FR 61087, Oct. 4, 2010]

EXISTING DELEGATIONS

§ 1227.111 Do existing delegation agreements remain in effect?

This section explains your options if you have a delegation agreement in effect on the effective date of this regulation.

- (a) If you do not want to perform any royalty management functions in addition to those authorized under your existing agreement, you may continue your existing agreement until its expiration date. Before the agreement expires, if you wish to continue to perform one or more of the delegated functions you performed under the expired agreement, you must request a new delegation agreement meeting the requirements of this part and the applicable standards.
- (b) If you want to perform royalty management functions in addition to those authorized under your existing agreement, you must request a new delegation agreement under this part.
- (c) ONRR may extend any delegation agreement in effect on the effective date of this regulation for up to 3 years beyond the date it is due to expire.

 $[62\ {\rm FR}\ 43084,\ {\rm Aug.}\ 12,\ 1997,\ {\rm as\ amended}\ {\rm at}\ 75\ {\rm FR}\ 61087,\ {\rm Oct.}\ 4,\ 2010]$

COMPENSATION

§1227.112 What compensation will a State receive to perform delegated functions?

You will receive compensation for your costs to perform each delegated function subject to the following conditions:

- (a) Compensation for costs is subject to Congressional appropriations;
- (b) Compensation may not exceed the reasonably anticipated expenditures that ONRR would incur to perform the same function;
- (c) The cost for which you request compensation must be directly related to your performance of a delegated function and necessary for your performance of that delegated function;
- (d) At a minimum, you must provide vouchers detailing your expenditures quarterly during the fiscal year. However, you may agree to provide vouchers on a monthly basis in your delegation agreement;